



UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

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POLICY MEMORANDUM FOR USUHS PERSONNEL

Subject: APPROPRIATE USE OF SPECIAL PROJECT FUNDS/EDUCATION
PROGRAM AND OTHER NON-PROFIT FUNDS

I. BACKGROUND

One of the General Principles of Ethical Conduct for Federal employees is that "an employee shall not . . . solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the employee's agency, or whose interests may be substantially affected by the performance or nonperformance of the employee's duties." This principle applies to all actions involving the Henry M. Jackson Foundation for the Advancement of Military Medicine ("Foundation" or "HJF") as well as all other entities with which the University does business.

Furthermore, as a general rule, Federal employees may not accept payment or reimbursement from non-Federal sources. In fact, various criminal statutes enumerate circumstances under which it is not only unethical but also criminal to accept payment from non-Federal sources. There are some exceptions, but they must be exercised with great care to ensure that the University and its employees are behaving in an ethical manner.

The University's Congressionally-established relationship with the Foundation allows USU to enter into agreements with the Foundation for the furtherance of medical research, medical consultation, and medical education. In 1991, the University entered into a Basic Operating Agreement with the Foundation, and the University and the Foundation have since agreed to some 20 plus subagreements. Paragraph III (7) of the Basic Operating Agreement states:

The Foundation will administer a variety of endowment and special project funds which encourage the development of scholarship, research and clinical excellence in the medical field. The Foundation shall recover indirect costs on the funds expended for endowment and special project activities at applicable rates.

Clearly, those Special Project Funds (since renamed Education Program Funds) as well as funds available from other Non-Profits, may be used for the benefit of University departments in furtherance of the University's mission. Goods and services purchased

using these funds are gifts to the University which can only be accepted by the University President, or in accordance with procedures established by the President.

Accordingly, this document provides guidance to enable employees to use Non-Profit Funds within the context of the applicable rules. Please understand that this is not an exhaustive discourse on the subject. If there are questions, you must seek clarification and guidance from a University ethics counselor before you take action.

NOTE: This President's Policy Memorandum (PPM) does not apply to grant funds. Use of grant funds must be coordinated and approved by the Grants Administrator.

II. GENERAL GUIDELINES

1. No monies from a Non-Profit Fund may be expended for the personal use or benefit of a University employee.
2. No monies from a Non-Profit Fund may be expended for any purpose inconsistent with the purpose for which the Fund was established. Accordingly, each Fund Manager must be familiar with the document establishing the Fund. *It is important to note that the Fund Manager has a fiduciary responsibility to ensure that the funds are properly accounted for and used in accordance with the purpose for which the funds were intended.*
3. As outlined below, some expenditures of Non-Profit Funds will require prior approval by a University ethics counselor. Approval must be accomplished by E-mail or written memorandum; oral approval is not sufficient.
4. No monies from a Non-Profit Fund may be expended for the cost of alcoholic beverages.
5. Meetings of any kind attended solely by USU personnel (billeted and nonbilleted) do not qualify for payment for food or beverages.
6. **NOTE:** "Flower Funds" (funds raised for a specific purpose, such as providing flowers or other gifts to a co-worker upon the occurrence of an event, completely comprised of voluntary employee contributions and not administered by HJF) are not covered under this guidance.

III. APPROPRIATE USES FOR NON-PROFIT FUNDS

1. Food, Beverages, and Meals

A. Ordinarily Non-Profit Funds will **not** be used in conjunction with routine interagency or intra-agency working meetings.

B. Non-Profit Funds will only be used for food and/or beverages at educational/scientific gatherings supported by a Non-Profit **where attendees are not exclusively USU personnel** and when the following guidelines are met:

i., light refreshments are served during a brief break to ensure that people are near the event site and thus able to reassemble quickly;

ii., For lunch or dinner there are two requirements:

First The meal is consumed **during** an educational/scientific presentation and thus is an integral part of the program,

OR

The meal is consumed in-between educational/scientific presentations when dining facilities are not reasonably available in such close proximity of the event so as to allow people to eat and return in time for the scheduled restart of the event;

AND

Second - For gatherings of *less than 30 people*, **20% or more** of the anticipated participants are **NOT** USU personnel,

OR

For gatherings of *30 people or more*, **50% or more** of the anticipated participants are **NOT** USU personnel.

Reminder: Meetings of any kind attended by solely by USU personnel (billeted and nonbilleted) do not qualify for payment for food or beverages.

C. Food for a non-USU speaker or presenter.

In conjunction with a USU sponsored conference or meeting, the primary purpose of which is the dissemination of educational information (such as Grand Rounds, a seminar, or a symposium), Non-Profit Funds may be used to pay the cost of food, beverages, and meals for a non-USU speaker or presenter. The cost of lunch will not exceed \$30, the cost of dinner will not exceed \$50. **Payment from Non-Profit Funds should be made directly by the Foundation to the vendor.**

E. Payment for meals involving the evaluation of a USU candidate:

i. When hosting a candidate for a University position, up to \$30 for lunch or \$50 for dinner from Non-Profit Funds may be used to pay for the meal of the candidate. To ensure reimbursement, advance approval should be obtained from the Non-Profit.

Approval from a University ethics counselor is not required if the lunch or dinner is being provided to the candidate only.

ii. If the meal is a part of the interview process and the selection committee is requested to attend as a part of the evaluation of candidates, Non-Profit Funds, in the amounts stated above, may be used to pay for the meals of the selection committee; prior approval of a University ethics counselor is required using the "Use of Non-Profit Funds" form, referenced above.

iii. Alcohol may not be purchased; personal funds must be used for the purchase of alcohol.

2. Equipment and Supplies

All purchases of equipment and supplies (including plaques and mementos for visiting speakers and dignitaries) will be purchased directly by the Foundation. No reimbursement to the individual Government employee is authorized.

3. Meetings, Symposia, Seminars, Courses, etc.

A. Outside of Local Area

- i. Non-Profit Funds may be used for travel, registration and related expenses for purposes of research, education and training. **If not a part of a pre-approved grant budget**, travelers seeking to use monies from a Non-Profit Fund account must obtain prior approval from a University ethics counselor by submitting a Non-Federal Source Travel Request form (the form may be found on the web at <http://www.usuhs.mil/ogc/nftravel.pdf>).
- ii. If the research, education and training relate to a grant, grant funds will normally be used and a Non-Federal Source Travel Request form need not be completed if the expense has been budgeted and pre-approved as a part of the grant approval process.

B. Within Local Area

Non-Profit Funds may be used for registration and related expenses for purposes of research, education and training. Payment will be made directly to the vendor by the Foundation. Approval by an ethics counselor is NOT required.

C. Memberships in Professional Organizations

In general, individual memberships in professional organizations are considered personal expenses and will be paid for by the individual and not with Non-Profit Funds. In extraordinary circumstances, Non-Profit Funds may be used to pay a membership fee. One example of extraordinary circumstances might be that the

department cannot receive a professional journal without a membership to the organization and the organization will not accept an institutional membership. Note, only one such membership will be granted per department.

IV. PROCEDURES FOR OBTAINING PAYMENT FROM NON-PROFIT FUNDS

NOTE: Congress established the Henry M Jackson Foundation (HJF) to provide support for the University, and therefore HJF is the Non-Profit with whom USU interacts the most. Accordingly the following general and HJF specific guidance is provided.

The following guidance is based on HJF procedures in effect at the date of this publication; HJF procedures are subject to change. You should contact HJF for the most accurate guidance. If using funding from another nonprofit organization, please check with that organization for their current procedures. Remember that regardless of the non-profit organization, the same ethics rules apply.

1. All expenditure requests will require two signatures -- that of the requester and the Fund Manager. If the Fund Manager is the requestor, a second signature of a Department Chair or Dean must be obtained. [See the procedure below.]
2. There are two USU forms that should be submitted at least 7 days in advance of the date of the event to request expenditure of HJF Non-Profit Funds:

A. Travel and related expenses.

Requests to approve the acceptance of travel and related expenses from HJF Non-Profit Funds or other Non-Federal sources for official TDY travel require the submission of the "NON-FEDERAL SOURCE TRAVEL REQUEST" form. [See the procedure below.] **This requirement does not apply to travel using grant funds.**

B. Expenses other than travel.

Except as noted below, requests to approve the acceptance of expenses, other than travel, for educational, scientific and related activities, from HJF Non-Profit Funds or other Non-Federal sources require the submission of the "USE OF NON-PROFIT FUNDS BY FEDERAL EMPLOYEES" form. [See the procedure below.]

3. Food, Beverages, and Meals

A. USU-sponsored event.

1. At least 7 days prior to the event, the requestor should contact the Education Programs Office at HJF (301-294-1226) to discuss the event with the Education Programs Administrator. Different payment options will be discussed

depending on the specifics of the event. The requestor will be advised by the Education Programs Administrator to complete an HJF Form #334 (Disbursement/Reimbursement Request) in order to initiate the process. This form may be found on the web at <http://www.hjf.org/researchers/forms.html>.

2. At least 7 days prior to the event, the requestor should seek guidance from the HJF Education Programs Administrator (301-294-1226). The requestor will be advised to complete a "Use of Non-Profit Funds" form. This form -- which is different from the Non-Federal Source Travel Request form -- may also be found on the web at http://www.usuhs.mil/usuhs_only/ogc/OutsideFundingForm.pdf. The completed Use of Non-Profit Funds form will be forwarded to the USU General Counsel's Office for approval by a University ethics counselor. After the University ethics counselor's approval, the requestor must send the form to the Education Programs Office at HJF.

B. Payments Via HJF Education Programs Department Credit Card

If a lunch or dinner is to be held at an off-site facility and paid for via HJF's Education Programs department credit card, the requestor shall: choose the venue; verify that the venue will accept payment via credit card from a third party over the phone; and make a reservation. The requestor will then forward the venue name, phone number, and point of contact to the HJF Education Programs Administrator. The HJF Education Programs Administrator will then call the venue to finalize payment for the event. The requestor must obtain a receipt from the venue at the time of the meal, and forward the receipt to the Education Programs office at HJF the following business day.

4. Equipment and Supplies

The requestor should seek guidance from the HJF Education Programs Administrator (301-294-1226). The requestor should complete an HJF Form #356 (Purchase Request) which may be found at <http://www.hjf.org/researchers/forms.html>. Once completed and signed by the Fund's Project Manager, the Purchase Request should be faxed to the HJF's Education Programs Department at 240-314-7314. **University employees shall not buy equipment, supplies, software, etc. with personal funds then seek reimbursement.** Equipment and supply purchases do not need prior review by a University ethics official.

5. Meetings, Symposia, Seminars, Courses, etc.

A. Outside the local area (not part of a grant)

The requestor should submit a Non-Federal Source Travel form (<http://www.usuhs.mil/ogc/nftravel.pdf>) to the USU General Counsel's Office for review by a University ethics counselor. If approved, the Project Coordinator


should forward a memorandum requesting use of FAHJ00 Account to the HJF Travel Manager. Information to be included in this memorandum are the Fund account to which the travel costs should be charged and the maximum dollar amount authorized. The money will be encumbered by the HJF Travel Manager in the appropriate HJF Non-Profit Fund account -- the same as is done for any other Non-Federal funding source. Travel and reimbursement still will be coordinated through USU. The USU Travel Office will then bill HJF and the appropriate departmental Non-Profit Fund will be debited accordingly.

B. Within the local area (not part of a grant)

The requestor with approval by the Fund Manager, should contact the HJF Education Programs Administrator (301-294-1226) prior to the event for guidance. The requestor will be advised to submit a "Use of Non-Profit Funds" form. This form -- which is different from the Non-Federal Source Travel request form -- may also be found on the web at :

http://www.usuhs.mil/usuhs_only/ogc/OutsideFundingForm.pdf.

The completed form will be forwarded to the USU General Counsel's Office for approval by a University ethics counselor. After the University ethics counselor's approval, the requestor must send the form to the HJF Education Programs Administrator for processing. Payment will be made directly to the sponsor of the meeting, symposium, seminar, course, or similar activity.



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President